
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

To: County Auditors

From: Budget Division
Department of Local Government Finance

Re: Personal Property Abatement Update

Date: June 23, 2005

Recently, the Department of Local Government Finance has received inquiries from taxpayers regarding the calculation of personal property abatement deductions for equipment installed in the 2002 pay 2003 assessment year or after. According to IC 6-1.1-12.1-4.5(d), beginning with the 2002 pay 2003 assessment year, the abatement deduction is the product of the current year assessed value of the equipment in the year of deduction multiplied by the applicable abatement percent. The questions regard whether the "current year assessed value" is based value of the equipment taken from the pooling schedule (Form 103-Long, Schedule A, page 3) or on the 30% floor (Form 103-Long, Line 58), if applicable.

SEA 327, passed this past session, specified that if the DLGF did not issue a determination for the 2003 pay 2004 assessment year by June 1, 2005, the tax bill would serve as the determination. Due to this legislation, the DLGF has not been required to address the issue of calculating a deduction for equipment installed 2002 pay 2003 and after. Therefore, DLGF has not taken a position on the proper current year assessed value to use in the computation of personal property abatement deductions.

Per statute, personal property abatement applications for 2004 pay 2005 and after are handled at the local level by the county auditor. It is the opinion of the DLGF, that if there is a question about the proper assessed value to use in calculating a deduction for equipment installed 2002 pay 2003 and after, the answer should be a local decision. The county auditor should use the assessed value they feel they can defend. A taxpayer who is dissatisfied with the county auditor's decision may appeal such decision and the issue will be decided on appeal.

Should you have questions, please contact Pam Eustace at (317) 232-3758 or Deanne Ludwig at (317) 233-6835.